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Attorneys for Nominal Defendant
 SILICON STORAGE TECHNOLOGY, INC.

UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA

In re SILICON STORAGE TECHNOLOGY,
 INC., DERIVATIVE LITIGATION

Master File No. C06-04310 JF

**STIPULATION AND [PROPOSED] ORDER
 TO EXTEND TIME TO FILE RESPONSIVE
 PLEADINGS**

Trial Date: None

This Document Relates To:

ALL ACTIONS.

WHEREAS, on March 15, 2007 nominal defendant Silicon Storage Technology, Inc. (“SST”) publicly announced that the Chair of its Audit Committee, with the assistance of independent outside counsel and outside accounting experts, would conduct a voluntary review of its historical stock option grant practices covering the time from its initial public offering in 1995 through the current fiscal year;

WHEREAS, pursuant to the Stipulation and Order dated April 27, 2007, the Court granted the parties’ stipulation that: (1) Defendants shall have no obligation to respond to the First Amended Consolidated Complaint; (2) Plaintiffs shall have twenty-one (21) days after SST announces the results of the investigation to file a Second Amended Consolidated Complaint; and (3) set the briefing schedule for Defendants’ response to the Second Amended Consolidated Complaint;

1 **WHEREAS**, on July 23, 2007, SST announced that it expected to restate its previously-
 2 issued financial statements for the fiscal years 1997 through 2005 and for the quarters ended
 3 March 31, 2006, June 30, 2006, and September 30, 2006 to correct errors related to accounting
 4 for stock-based compensation expense;

5 **WHEREAS**, on January 16, 2008, SST publicly announced that the chair of its Audit
 6 Committee has completed its review of SST's historical stock option grant practices covering the
 7 time from its initial public offering in 1995 through the current fiscal year. At that time, Lead
 8 Plaintiffs and SST met and conferred to discuss continuation of the settlement talks postponed
 9 pending the audit chair's investigation;

10 **WHEREAS**, on February 1, 2008, the Court granted parties' stipulation for Lead Plaintiffs
 11 file the Second Amended Complaint on or before May 9, 2008;

12 **WHEREAS**, Lead Plaintiffs, SST, the individual defendants, and the parties in the related
 13 state action, *Alex Chuzhoy v. Bing Yeh, et al.*, Santa Clara Case No. 106CV074026, (the
 14 "Parties") have agreed to meet in Palo Alto, California on May 20, 2008 to participate in an all
 15 day settlement meeting in order for the Company to share information with plaintiffs relating to
 16 the audit committee chair's investigation and findings and the filing of the Company's
 17 restatement and to discuss the settlement of the derivative litigation;

18 **WHEREAS**, the Parties have already engaged in discussions relating to corporate reforms
 19 and prior to the May 20, 2008 meeting, SST will provide Lead Plaintiffs with relevant documents
 20 to facilitate the parties' settlement discussions;

21 **WHEREAS**, the Parties have further agreed to schedule a mediation to take place should
 22 their May 20, 2008 settlement meeting not fully resolve the derivative litigation, and have
 23 selected the Hon. William Cahill, to serve as a mediator for this matter;

24 **WHEREAS**, mediation for this matter is scheduled for June 5, 2008;

25 **WHEREAS**, On May 9, 2008, Lead Plaintiffs' filed their Second Amended Consolidated
 26 Complaint ("Amended Complaint");

27 **WHEREAS**, Defendants are currently required to file responsive pleadings to the Plaintiffs'
 28 Amended Complaint on or before May 27, 2008;

WHEREAS, the Parties want to focus their efforts on settlement and avoid unnecessary litigation expenses and preserve judicial resources;

WHEREAS, the agreed upon schedule is not for the purpose of delay, promotes judicial efficiency, and will not cause prejudice to any party.

NOW, THEREFORE, the undersigned parties by and through their counsel of record in this action and subject to the Court's approval, hereby stipulate as follows:

1. Defendants shall file and serve answers or otherwise respond to the Amended Complaint by July 11, 2008. In the event that Defendants file and serve any motion directed at the Amended Complaint, Lead Plaintiffs shall file and serve an opposition by August 22, 2008. If Defendants file and serve a reply to Lead Plaintiffs' opposition, they will do so by September 12, 2008.

2. By executing this Stipulation, the parties have not waived and expressly retain all claims, defenses and arguments whether procedural, substantive or otherwise, and is without prejudice to any subsequent motion to stay this action, and this Order is entered without prejudice to the rights of any party to apply for a modification of this Order for good cause

IT IS SO STIPULATED.

Dated: May 20, 2008

COOLEY GODWARD KRONISH LLP

By _____ /s/
Grant P. Fondo

Attorneys for Nominal Defendant
SILICON STORAGE TECHNOLOGY, INC

Dated: May 20, 2008

SCHIFFRIN BARROWAY TOPAZ & KESSLER, LLP

By _____ /s/
Nichole Browning

Attorneys for PLAINTIFF BEHRAD BAZARGANI

1 Dated: May 20, 2008

WOLF HALDENSTEIN ADLER FREEMAN & HERZ
LLP

2 By _____/s/
Betsy C. Manifold

3 Co-Lead Counsel for Lead Plaintiffs

4 Dated: May 20, 2008

MCDERMOTT, WILL & EMERY LLP

5 By _____/s/
Matthew J. Jacobs

6 Attorneys for Director Defendants
7 TSUYOSHI TAIRA, YASUSHI CHIKAGAMI,
8 RONALD CHWANG, BING YEY AND YAW WEN
9 HU

10 Dated: May 20, 2008

HELLER EHRMAN LLP

11 By _____/s/
Howard S. Caro

12 Attorneys for Officer Defendants
13 DEREK BEST, MICHAEL BRINER, JEFFREY
14 GARON, PAUL LUI, ISAO NOJIMA, and CHEN
15 TSAI

16 **ATTESTATION PURSUANT TO GENERAL ORDER 45**

17 I, Grant P. Fondo, am the ECF User whose ID and password are being used to file this
18 Stipulation and [Proposed] Order to Extend Time to File Responsive Pleadings. In compliance
19 with General Order 45.X.B., I hereby attest that concurrence in the filing of this document has
20 been obtained from each of the other signatories. I declare under penalty of perjury under the
21 laws of the United States of America that the foregoing is true and correct. Executed this 20th
22 day of May, 2008, at Palo Alto, California.

23 _____/s/
24 Grant P. Fondo

ORDER

PURSUANT TO STIPULATION AND FOR GOOD CAUSE SHOWN HEREIN, IT IS
SO ORDERED.

DATED: 5/22/08



Judge of the U.S. District Court